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Paper Paperboard & Wood Pulp

MONTHLY STATISTICAL SUMMARY - Vol. 66 No. 10 OCTOBER 1988

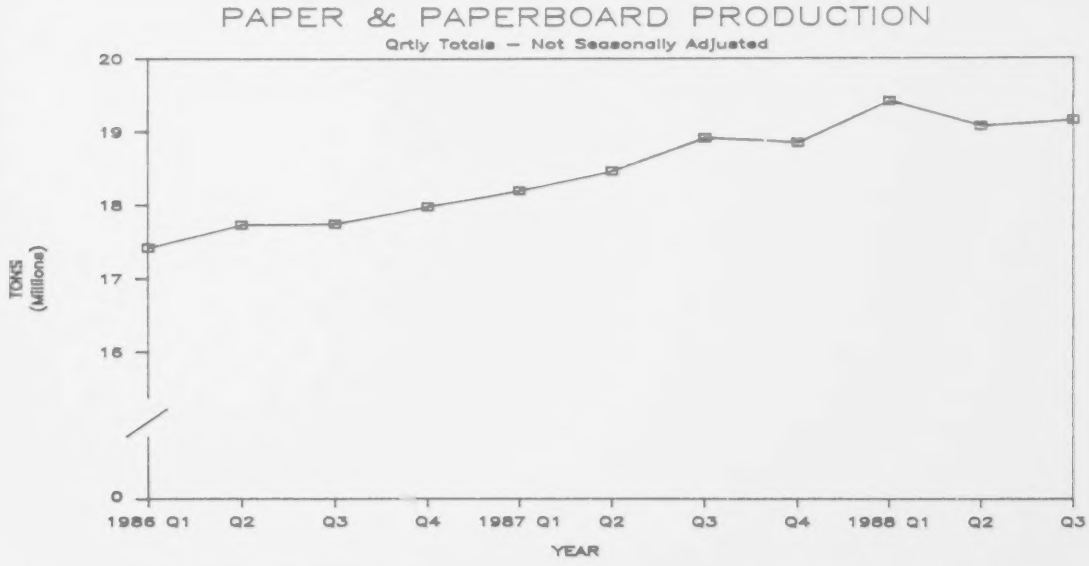
PAPER AND PAPERBOARD PRODUCTION: STILL STEADY

Now at near-record levels, paper and paperboard production continues along the flat trend it has been tracing throughout the year, advancing toward a 1988 total of some 77 million tons. Paper company sales are running above the $100 billion per year rate, for the first time ever. Paper production is still rising, but only slightly. Also anticipated to post another record high, annual paperboard production should very nearly match expected paper output.

The chart below pictures the quarterly production totals from the first quarter of 1986 through the third quarter of 1988. It highlights the rapid growth in production during 1986 and the first two quarters of 1987, followed by a subsequent levelling. The high in the first quarter of 1988 is probably seasonal, reflecting strong March output and the 215,000 tons produced on leap year day.

However, because of the changes in workday rules and the impact of the extra leap-year day in 1988, the seasonally adjusted data reported in the table on page 3 are only preliminary estimates, which attempt to trace the underlying trends from the available production data.

Production by grade: The printing-writing and "other" packaging and industrial paper grades continue to show the major strength in the paper sector. Shipments of coated papers and bleached bristols made the largest gains in the first three quarters of 1988.



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Imports of paper strengthened in August -- the latest month for which data are available -- moving above the million-ton level. Newsprint and groundwood papers accounted for 85% of the January-August total, with coated paper imports taking up another 6.5%. While imports of uncoated free sheet papers amounted to only 4.6% of the total, they are rising steeply; at 556,000 tons per year they were 46% above their year-ago total in the first eight months of 1988.

About 32% of the imports of writing papers in the first 8 months of 1988 came from Brazil, as did 44% of the imports of thin papers. In retaliation for the Brazilian government's refusal to provide U.S. companies with patent protection for pharmaceuticals and fine chemicals, the Reagan Administration, acting under Section 301 of the U.S. trade laws, imposed a 100% tariff on imports of paper and other selected products from Brazil, effective on October 30, 1988. Total imports from Brazil of their paper grades in the January-August 1988 period amounted to 92,328 tons, worth $60.4 million.

While the seasonally adjusted trend of paperboard is presently easing, the nine-month 1988 total was 2.8% above its corresponding 1987 total, with containerboard production for domestic use up 3.0% and boxboard production for domestic use up 4.2%. Inventories of containerboard at mills and boxplants declined by 85,000 tons in September, bringing the total down to 5.7 weeks of supply.

SALES AND EARNINGS

The table below presents data on sales and after-tax earnings for 27 paper and allied products companies for the first three quarters of 1988 and 1987, together with calculations showing changes from year-ago levels and the ratios of after-tax earnings to sales. These companies account for more than 60% of the sales of all paper and allied products companies as reported quarterly by the Bureau of the Census.

Both sales and after-tax profits moved to new highs, continuing their recovery from the lows of the early 1980's. Profits/sales ratios are now at levels not reached since the years just after World War II.

Paper and Allied Products Companies

Sales and Earnings

	Sales			Net Profit After Taxes			Net Profits/Sales	
	1988	1987	88/87	1988	1987	88/87	1988	1987
	(Thousand Dollars)		%	(Thousand Dollars)		%	%	%
			27 Paper and Allied Products Companies					
First Quarter	15,859,129	13,380,019	18.5	1,207,544	720,855	67.5	7.61	5.39
Second Quarter	16,439,176	14,393,902	14.2	1,362,765	928,823	46.7	8.29	6.45
Third Quarter	16,857,259	14,914,318	13.0	1,592,539	1,009,902	57.7	9.45	6.77
Fourth Quarter								
Year-to-date	49,155,564	42,688,239	15.2	4,162,848	2,659,580	56.5	8.47	6.23
			4 Forest Product Companies					
First Quarter	4,500,193	3,931,746	14.5	274,550	204,868	34.0	6.10	5.21
Second Quarter	5,108,811	4,388,302	16.4	314,728	279,194	12.7	6.16	6.36
Third Quarter	4,955,145	4,818,410	2.8	303,991	293,800	3.5	6.13	6.10
Fourth Quarter								
Year-to-date	14,564,149	13,138,458	10.9	893,269	777,862	14.8	6.13	5.92

Continued on page 11

PAPER AND PAPERBOARD STATISTICS

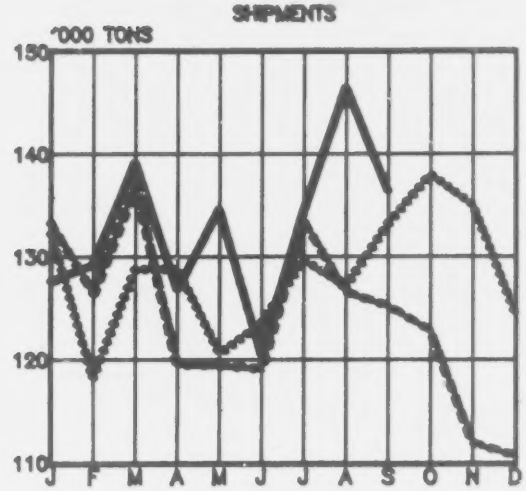
PRODUCTION, SHIPMENTS AND ORDERS
(Thousands of Short Tons)

	YEAR 1986	YEAR 1987	JUNE 1988 (P)	JULY 1988 (P)	AUGUST 1988 (P)	SEPTEMBER 1988 (P)	Annual Rate Y-T-D 1988	% Change From same Period Last Year
PAPER								
Newsprint - Production	5,630	5,842	490	481	509	492	5,959	2.7
- Shipments	5,638	5,854	495	475	506	493	5,914	1.7
Printing & Writing Sum	19,668	20,780	1,797	1,750	1,901	1,781	21,829	6.0
Groundwood Paper - Shipments	1,540	1,485	120	134	147	136	1,593	4.8
- New Orders	1,553	1,529	122	131	136	138	1,587	1.7
-Unfilled Orders	124	164	188	177	171	171	171	18.0
Coated Papers - Shipments	6,263	6,860	617	594	645	595	7,390	9.1
- New Orders	6,334	7,066	612	662	637	573	7,441	5.5
- Unfilled Orders	469	708	688	746	755	721	721	3.8
Unctd Free Sheet - Shipments	10,410	10,977	937	906	980	929	11,335	4.4
- New Orders	10,485	11,184	965	909	951	899	11,371	3.2
- Unfilled Orders	587	773	828	818	805	769	769	14.6
Thin Papers - Shipments	271	251	16	14	19	20	227	-9.1
Cotton Fiber Paper - Shipments	152	163	13	12	13	12	160	-2.7
Bleached Bristols - Production	1,033	1,044	94	91	99	90	1,124	9.0
Tissue Paper - Production	5,095	5,301	454	452	471	455	5,471	3.8
Total Packaging & Other Paper	5,117	5,072	423	408	431	439	5,201	3.0
Unbl. Kraft Paper - Shipments	3,303	3,079	244	239	251	260	3,037	-1.6
Other Paper - Production	1,814	1,993	180	169	180	179	2,164	10.4
TOTAL PAPER-Production-Unadj.	35,510	36,994	3,165	3,091	3,312	3,167	38,460	4.7
-Production-S.A.			3,205	3,211	3,217	3,222	38,396	4.3
PAPERBOARD - PRODUCTION								
Solid Wood Pulp Furnish	27,336	28,944	2,416	2,488	2,555	2,417	29,592	2.2
Total Unbl. Kraft Paperboard	17,689	18,913	1,583	1,619	1,666	1,590	19,398	2.6
Unbl. Kraft Linerboard (1)	16,402	17,682	1,480	1,511	1,552	1,481	18,108	2.7
Production for Export	2,246	2,318	197	191	203	185	2,395	8.5
Other Unbl. Kraft Paperboard	1,287	1,232	104	108	114	109	1,290	8.5
Semichemical Paperboard	5,376	5,600	466	480	494	472	5,713	1.7
Production for Export	213	189	9	10	14	11	134	-33.2
Solid Bleached Paperboard	4,222	4,420	366	389	395	355	4,482	1.3
Production for Export	569	619	53	46	55	47	602	-4.2
Recycled Paperboard	8,092	8,506	737	694	730	711	8,825	4.6
Production for Export	70	75	6	6	6	3	71	2.2
TOTAL PAPERBOARD-Prod.-Unadj.	35,379	37,439	3,152	3,181	3,284	3,127	38,417	2.8
- Containerboard Prod.(Dom. Use)	21,426	23,016	1,923	1,985	2,003	1,948	23,605	3.0
- Boxboard Prod.(Dom. Use) (2)	5,863	6,026	512	518	539	498	6,242	4.2
- All Other P'bd Prod.(D.U.) (2)	4,992	5,196	453	425	463	435	5,370	3.2
- Total Paperbd Prod. for Export	3,097	3,201	265	254	279	247	3,201	-2.4
TOTAL PAPERBOARD PROD.- S.A.			3,174	3,163	3,151	3,139	38,054	2.4
TOTAL PAPER AND PAPERBOARD Production - Unadj. (R)	70,889	74,433	6,317	6,272	6,597	6,294	76,877	3.7
Production - S.A.			6,380	6,374	6,368	6,361	76,450	3.3

(1) Includes all exports of kraft paperboard. R - Revised P - Preliminary S.A. - Seasonally Adjusted
(2) Data for unbl. kraft folding boxboard incl. in All Other P'bd.

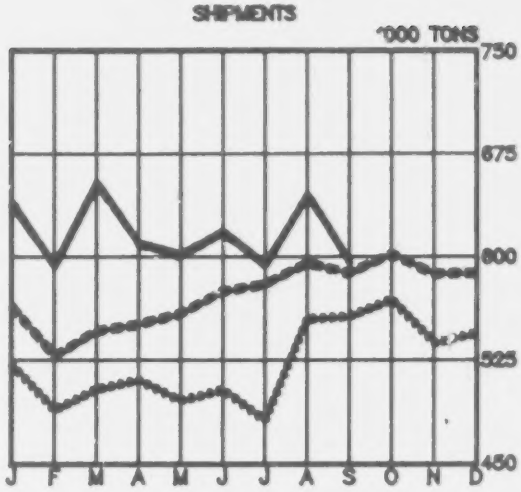
GROUNDWOOD PAPER, UNCOATED

SHIPMENTS



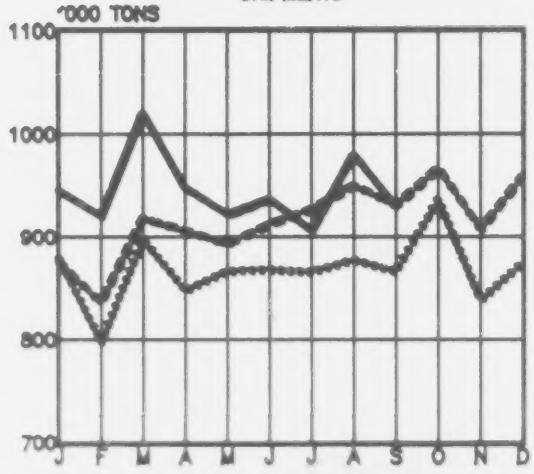
COATED PAPER

SHIPMENTS



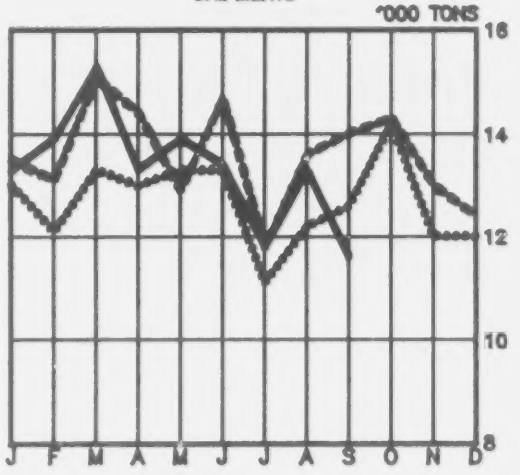
UNCOATED FREE SHEET PAPERS

SHIPMENTS



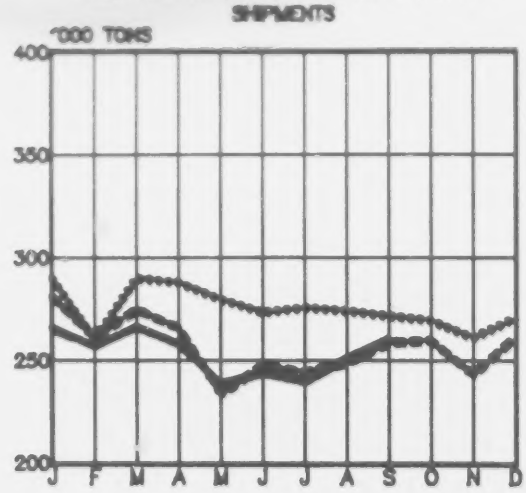
COTTON FIBER PAPER

SHIPMENTS



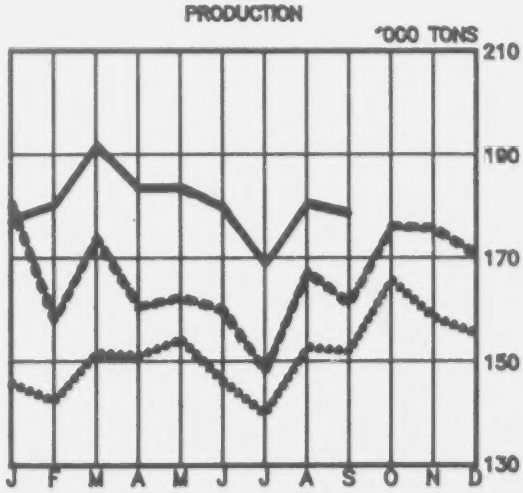
UNBLEACHED KRAFT PACKAGING
AND INDUSTRIAL CONVERTING PAPER

SHIPMENTS



OTHER PAPER

PRODUCTION



1986 ••••••••• 1987 - - - - - 1988 ————

WOOD PULP STATISTICS
(Thousands of Tons)

	YEAR 1986	YEAR 1987	MAY 1988	JUNE 1988	JULY 1988	AUGUST 1988	Annual Rate Y-T-D 1988	% Change from same Period Last Year
TOTAL WOOD PULP					R	P		
Total Wood Pulp - Production	57,005	59,552	5,004	4,949	5,219	5,269	61,296	3.2
- Imports	4,582	4,850	415	415	416	460	5,077	5.2
- Exports	4,458	4,889	433	497	392	497	5,396	11.6
- New Supply	57,129	59,513	4,986	4,867	5,243	5,231	60,977	2.7
Dissolving Pulp - Production	1,258	1,312	113	117	117	119	1,342	3.4
- Imports	255	198	16	19	11	24	238	10.8
- Exports	711	752	61	101	56	63	823	9.4
- New Supply	801	757	68	36	72	81	757	-0.5
Paper Grades - Production	46,081	48,293	4,011	4,003	4,241	4,276	49,638	2.9
Chemical Pulp - Imports	4,220	4,456	360	362	375	404	4,466	0.4
- Exports	3,689	4,111	368	395	331	431	4,524	11.5
- New Supply	46,612	48,637	4,003	3,971	4,284	4,248	49,579	2.0
Groundwood and - Production	5,476	5,702	507	480	497	504	5,975	6.5
Thermo-Mech. - Imports	108	197	39	33	30	32	374	132.2
- Exports	59	26	3	1	4	3	49	100.6
- New Supply	5,525	5,872	543	512	523	532	6,300	9.6
Semi-Chemical - Production	4,191	4,246	373	349	363	371	4,341	2.3
- Imports								
- Exports								
- New Supply	4,191	4,246	373	349	363	371	4,341	2.3
MARKET WOOD PULP								
Total Market - Production	7,572	8,114	655	686	728	755	8,452	4.8
Wood Pulp - Imports	3,122	3,235	279	299	300	336	3,567	12.0
- Exports	4,470	4,820	379	456	382	442	4,935	5.5
- New Supply	6,224	6,529	556	529	646	650	7,084	7.9
Dissolving Pulp - Production	1,251	1,308	113	117	117	119	1,340	3.6
- Imports	212	154	13	18	11	22	209	28.8
- Exports	718	775	59	79	48	63	748	8.3
- New Supply	745	687	66	56	79	77	801	12.9
Paper Grades - Production	6,315	6,806	543	570	611	636	7,113	5.1
Chemical Pulp - Imports	2,831	2,975	238	258	267	294	3,104	6.2
- Exports	3,752	4,045	320	378	334	379	4,188	6.5
- New Supply	5,394	5,736	461	450	544	551	6,029	4.7
Groundwood Pulp - Production	5	0	0	0	0	0	0	0
and All Other - Imports RS	79	106	29	23	22	21	258	160.3
- Exports	0	0	0	(0)	(0)	0	(0)	0.0
- New Supply	85	106	29	23	22	21	258	160.5

SOURCES: Total Wood Pulp Production & Market Wood Pulp Production, Imports & Exports - Pulp Division, Pulp, Materials and Technology Group, API. Total Wood Pulp Imports & Exports - Department of Commerce.

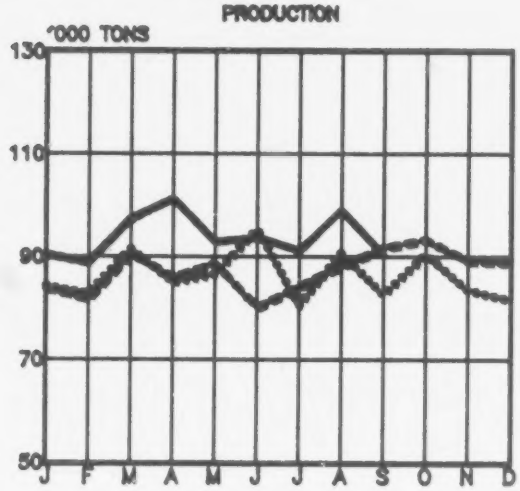
FIBROUS RAW MATERIALS
(Thousands of tons)

	YEAR 1986	YEAR 1987	MAY 1988	JUNE 1988	JULY 1988	AUGUST 1988	Annual Rate Y-T-D 1988	% Change from same Period Last Year
CONSUMPTION AT PAPER & PAPERBOARD MILLS					R	P		
Total	74,345	77,770	6,652	6,494	6,685	6,855	80,003	3.5
Total Wood Pulp	57,061	59,474	5,041	4,931	5,160	5,240	61,104	3.1
Waste Paper	17,285	18,296	1,611	1,563	1,526	1,615	18,899	4.7
INVENTORIES								
Chemical Paper Grade Market Pulp								
Producers' Own-Use Inventories	174	170	160	175	194	199	199	12.0
Producers' Market Inventories	284	224	243	193	236	248	248	-27.1
Consumers' Purchased Inventories #	496	529	513	534	548	634	634	17.6
Waste Paper at Paper & Bd. Mills	838	920	897	904	896	959	959	20.3
Days of Supply at Pulp Mills of Chemical Paper Grade Mkt Pulp	16	12	13	10	12	12	12	-33.3

SOURCES: Wood Pulp Data, Pulp Division, Pulp, Materials and Technology Group, API. Waste Paper Data, Paper Recycling Committee, API. # Includes all grades of wood pulp.
P - Preliminary; R - Revised; (0) - Indicates zero to five-hundred short tons RS - 1988 Revised Series

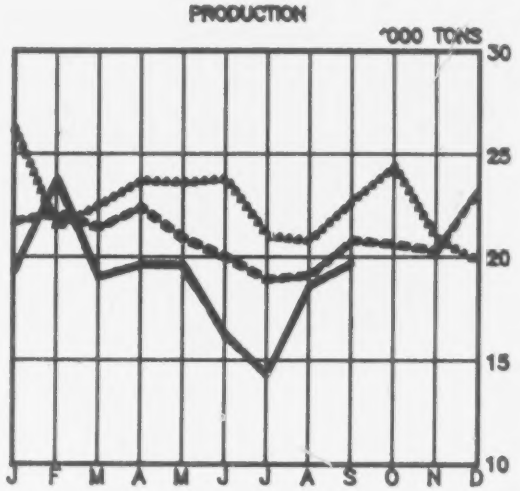
BLEACHED BRISTOLS

PRODUCTION



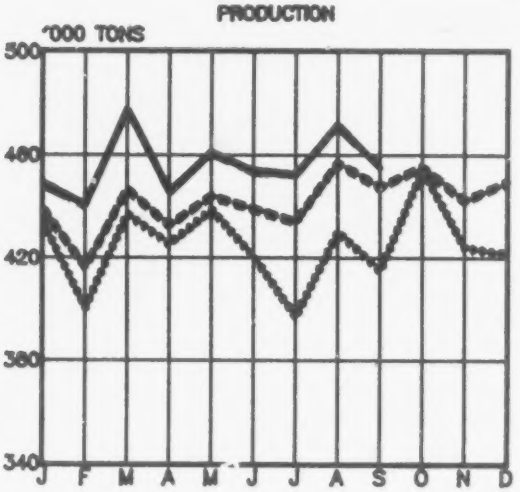
THIN PAPER

PRODUCTION



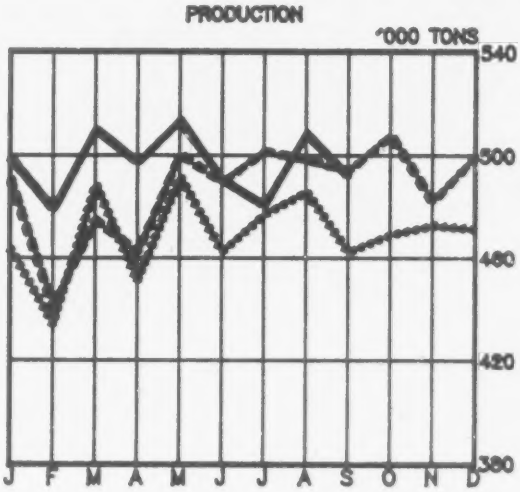
TISSUE PAPER

PRODUCTION



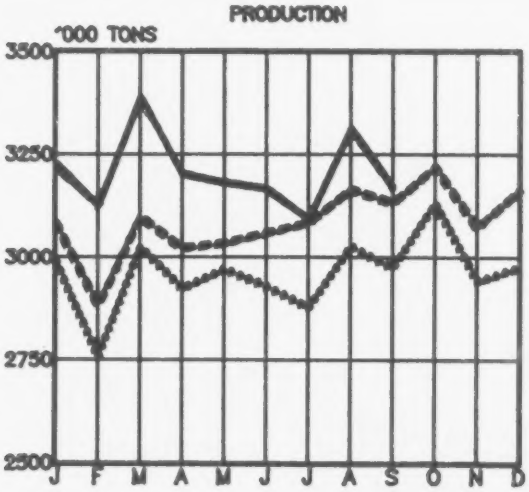
NEWSPRINT

PRODUCTION



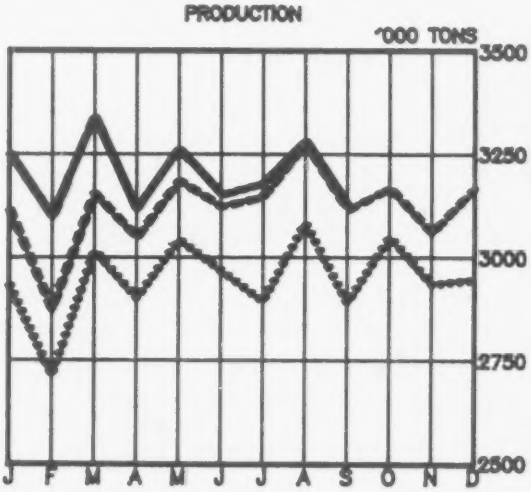
TOTAL PAPER

PRODUCTION



TOTAL PAPERBOARD

PRODUCTION



1986 ••••••••• 1987 ▬▬▬1988 ▬▬▬

F I B R O U S R A W M A T E R I A L S
(Thousands of Standard (128 cubic foot) Cords)

		YEAR 1986	YEAR 1987	MAY 1988	JUNE 1988	JULY 1988	AUGUST 1988	Annual Rate Y-T-D 1988	% Change From Same Period Last Year
PULPWOOD									
Total U.S.	- Total Receipts	90,943	94,312	7,611	7,766	7,652	8,007	94,430	0.6
	- Total Consumpt	91,434	93,946	7,650	7,689	7,901	7,951	95,315	1.6
	- Residues *	32,755	32,899	2,753	2,603	2,697	2,769	33,018	1.6
	- Inventories	4,794	5,096	4,420	4,507	4,232	4,325	4,325	-8.0
So. Atlantic	- Total Receipts	29,513	31,147	2,412	2,489	2,541	2,653	31,020	1.4
	- Total Consumpt	29,425	30,915	2,450	2,512	2,613	2,652	31,320	2.5
	- Residues *	9,343	9,553	785	683	800	795	9,717	6.4
	- Inventories	994	1,211	1,041	1,033	980	997	997	-4.1
Northeast	- Total Receipts	7,277	6,941	541	630	569	623	6,980	-0.9
	- Total Consumpt	7,227	7,109	621	582	578	599	7,367	1.6
	- Residues *	1,419	1,543	134	141	107	150	1,622	5.7
	- Inventories	484	594	402	445	430	429	429	-8.9
South Central	- Total Receipts	31,790	33,650	2 716	2,789	2,632	2,835	33,276	-0.7
	- Total Consumpt	32,113	33,059	2,699	2,748	2,742	2,789	33,410	1.3
	- Residues *	9,792	9,992	802	841	815	830	9,843	-2.5
	- Inventories	926	1,294	1,018	1,068	937	987	987	-5.8
North Central	- Total Receipts	6,571	6,552	563	586	557	556	7,011	8.2
	- Total Consumpt	6,739	6,764	606	582	566	565	7,067	4.8
	- Residues *	1,042	1,263	105	118	107	118	1,383	28.1
	- Inventories	892	830	818	806	802	803	803	-4.1
West	- Total Receipts	15,792	16,022	1,379	1,272	1,353	1,340	16,143	-0.9
	- Total Consumpt	15,939	16,099	1,274	1,265	1,402	1,346	16,152	-0.7
	- Residues *	11,159	10,548	927	820	868	876	10,454	-2.0
	- Inventories	1,498	1,167	1,141	1,155	1,083	1,109	1,109	-15.1

* - Consumption of Residues in Cord Equivalents. SOURCE: American Pulpwood Association 25-Oct-88

U N I T E D S T A T E S T R A D E W I T H C A N A D A

IMPORTS FROM CANADA

	YEAR 1987 Tons	YEAR 1987 ($000's)	JULY 1988 Tons	JULY 1988 ($000)	AUGUST 1988 Tons	AUGUST 1988 ($000)	Annual Rate Y-T-D 1988 Tons	% Change From same Period Last Year
Pulpwood, Roundwood (in cords of 128 cubic feet)	15,382	1,736	5,328	555	6,860	601	40,763	384.6
Pulpwood chips	487,147	15,250	98,480	4,192	68,802	3,011	840,720	103.4
Wood Pulp, Total	4,320,114	1,842,019	379,673	204,178	385,265	209,860	4,361,261	1.2
Waste Fibrous Materials, Total	186,286	36,423	17,279	4,094	16,960	3,502	239,167	27.4
Paper, Board & Products, Total	10,588,047	5,093,903	885,869	479,229	900,118	496,135	10,769,117	1.7
Paper, Paperboard,Wet Machine Bd. & Constr. Paper & Bd.	10,441,472	4,845,663	874,744	460,816	888,572	474,169	10,624,816	1.8
Paper, Paperboard & Products	10,365,412	5,027,943	867,749	473,765	878,792	489,512	10,561,830	2.1
Paper & Paperboard, Only	10,218,838	4,779,702	856,624	455,351	867,246	467,546	10,417,529	2.1
Paper, Total	9,961,198	4,698,148	836,350	447,653	842,038	458,235	10,149,547	2.0
Newsprint	8,588,309	3,956,147	707,533	368,309	702,811	371,649	8,545,614	-0.8
Printing, Writing & Rel. Pap.	1,111,641	601,978	108,143	67,081	113,520	70,913	1,314,272	21.8
Pack. & Ind. Conv. Paper	215,514	102,986	17,457	9,256	20,975	11,261	235,069	8.6
Special Industrial Paper	5,478	9,844	309	594	384	778	4,537	-18.5
Tissue Paper	40,257	27,194	2,908	2,414	4,349	3,635	50,055	25.8
Paperboard, Total	257,639	81,554	20,274	7,698	25,207	9,311	267,982	7.3
Convtd Paper&Paperbd Products	146,575	248,241	11,125	18,414	11,546	21,965	144,301	-1.0
Wet Machine Board	2,890	1,977	138	102	265	190	3,002	1.4
Construction Paper & Board	219,744	63,983	17,982	5,362	21,062	6,433	204,285	-12.6

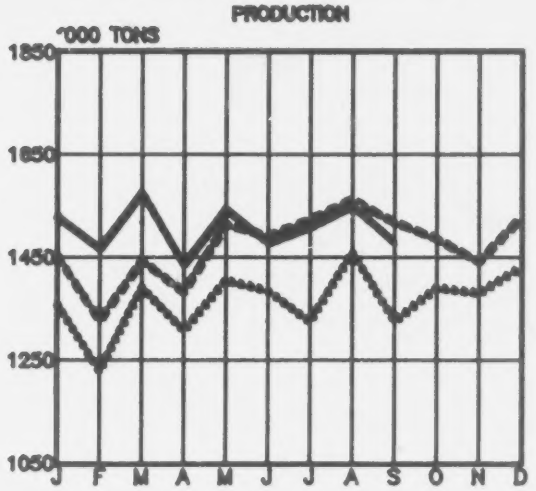
EXPORTS TO CANADA

Pulpwood, Roundwood (in cords of 128 cubic feet)	12,617	770	0	0	1,259	88	13,452	43.7
Pulpwood chips	61,575	4,014	2,549	117	3,626	166	43,196	-41.3
Wood Pulp, Total	198,921	75,956	20,575	7,359	26,514	8,777	266,885	32.4
Cotton Pulp & Other Pulp	58,288	14,775	5,968	1,917	5,607	1,733	81,093	61.3
Waste Paper	286,898	30,592	27,214	3,047	42,696	4,977	335,229	22.3
Paper, Board & Products, Total	957,434	598,429	75,985	53,424	88,485	65,478	1,251,259	38.2
Paper, Paperboard,Wet Machine Bd. & Constr. Paper & Bd.	712,494	398,256	55,545	32,470	66,278	41,575	967,275	43.4
Paper, Paperboard & Products	920,755	581,481	73,788	52,640	84,823	63,805	1,217,210	39.8
Paper & Paperboard, Only	675,815	381,308	53,348	31,686	62,616	39,902	933,026	45.9
Paper, Total	297,585	250,807	22,140	20,751	28,578	26,299	350,780	20.5
Newsprint	4,525	3,728	407	407	462	417	4,102	-20.7
Printing, Writing & Rel. Pap.	151,716	125,667	12,632	11,851	15,392	15,677	173,902	21.3
Pack. & Ind. Conv. Paper	25,826	17,841	2,677	1,873	3,283	2,841	39,222	59.9
Special Industrial Paper	110,107	97,088	5,949	6,085	8,229	6,516	127,075	13.0
Tissue Paper	5,411	6,490	475	534	1,212	847	6,479	16.9
Paperboard, Total	378,230	130,501	31,208	10,936	34,039	13,604	582,246	67.0
Convtd Paper&Paperbd Products	244,940	200,173	20,440	20,954	22,206	23,903	283,985	23.1
Wet Machine Board	10,212	4,828	585	224	573	222	7,158	-33.1
Construction Paper & Board	26,467	12,120	1,612	560	3,089	1,451	27,091	12.2

SOURCE: Bureau of Census, Department of Commerce . E - Estimate of tonnage based on square foot data 25-Oct-88

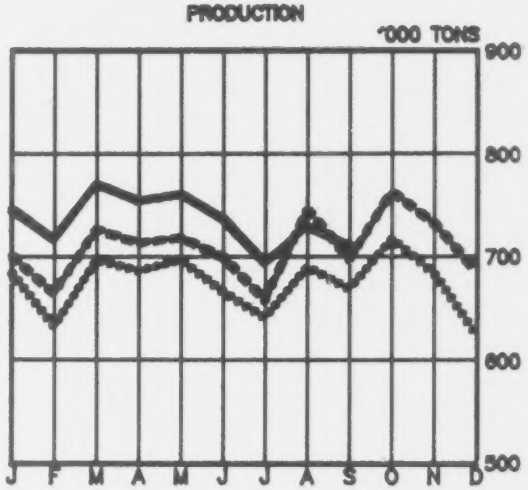
UNBLEACHED KRAFT LINERBOARD

PRODUCTION



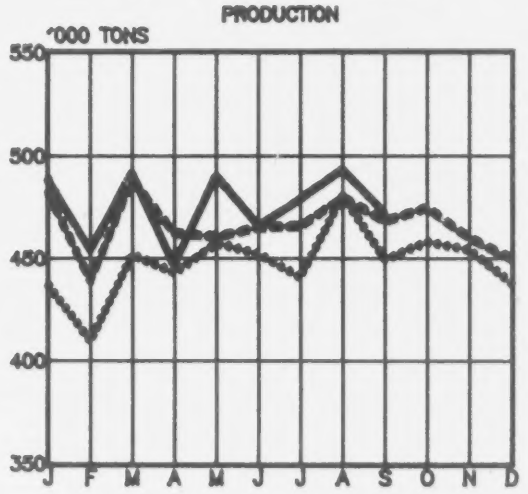
RECYCLED PAPERBOARD

PRODUCTION



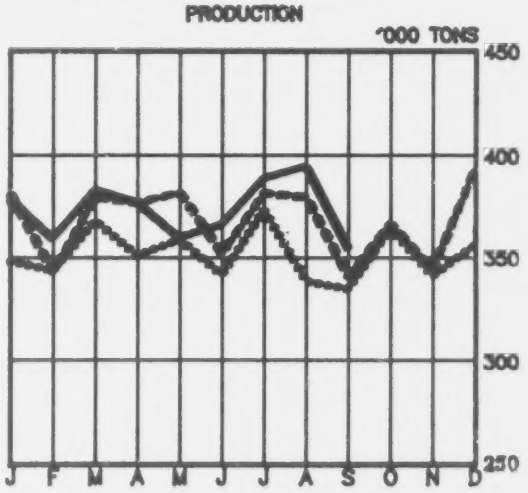
SEMICHEMICAL PAPERBOARD

PRODUCTION



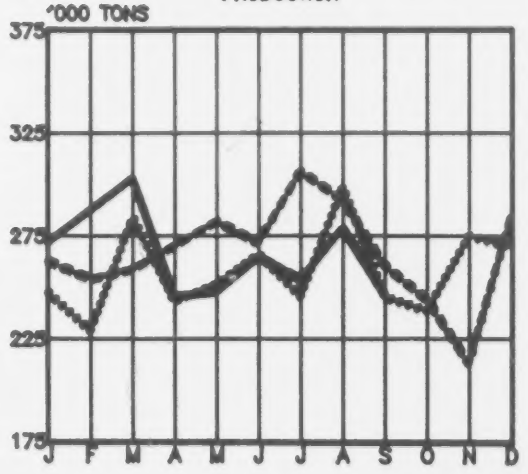
SOLID BLEACHED PAPERBOARD

PRODUCTION



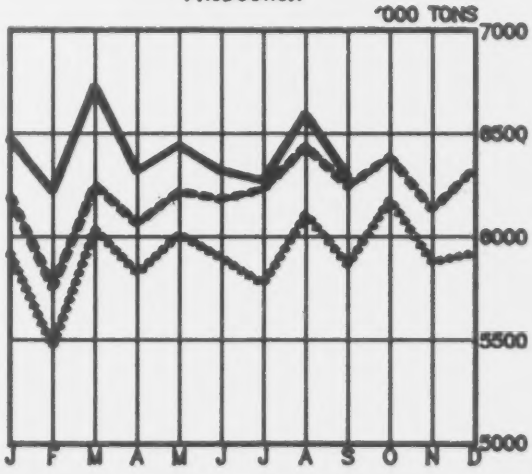
PAPERBOARD FOR EXPORT

PRODUCTION



TOTAL PAPER AND PAPERBOARD

PRODUCTION



1986 ••••••• 1987 ——— 1988 ———

I M P O R T S

	YEAR 1987 Tons	YEAR 1987 $000	1988 JULY Tons	1988 JULY $000	1988 AUGUST Tons	1988 AUGUST $000	(1) Annual Rate YTD 1988 Tons	% Change from same Period Last Year
Pulpwood Roundwood (cords)	15,432	1,746	5,328	555	6,860	601	40,766	380.3
Pulpwood Chips	525,629	15,476	99,072	4,214	69,150	3,031	855,705	83.9
Total All Imports	17,891,172	9,043,600	1,510,365	882,775	1,591,798	947,384	18,484,019	4.5
Wood Pulp Total	4,850,238	2,069,389	416,152	224,594	459,845	254,540	5,076,521	5.2
Waste Paper	127,398	19,231	11,808	2,221	12,112	2,000	166,575	39.2
Other Fibrous Materials	76,491	27,287	7,251	2,640	7,047	2,295	94,997	8.9
Paper Board & Products Total	12,837,046	6,927,693	1,075,154	653,319	1,112,794	688,550	13,145,925	3.9
Paper Paperboard Wet Machine Bd. & Construction Paper & Board	12,435,486	5,995,122	1,038,881	570,935	1,073,106	597,439	12,728,730	4.0
Paper Ppbd & Prds ex Cnst&WMB	12,527,598	6,828,736	1,048,202	644,092	1,082,510	678,165	12,838,333	4.2
Paper & Paperboard Only	12,126,039	5,896,165	1,011,929	561,708	1,042,822	587,053	12,421,138	4.3
Paper Total	11,765,208	5,768,703	987,660	552,076	1,010,947	574,835	12,078,634	4.6
Newsprint	8,986,548	4,121,327	728,074	377,082	730,629	385,010	8,850,035	-1.2
Printing & Writing	2,410,216	1,412,458	226,080	151,354	237,934	163,769	2,819,136	26.9
Uncoated Groundwood	1,269,774	654,767	103,753	59,406	116,803	68,616	1,416,017	20.8
Coated Print.& Impreg. Pap.	674,531	467,865	71,602	55,948	72,741	59,746	786,484	27.6
Uncoated Free Sheet	417,395	249,943	45,515	32,152	44,290	31,857	555,764	46.2
Uncoated Book	210,624	119,775	22,987	15,360	20,713	14,385	241,144	16.2
Writing and Similar Paper	206,771	130,168	22,529	16,792	23,578	17,472	314,620	82.3
Thin (except Cigarette)	47,567	38,831	3,731	3,249	3,723	3,377	57,445	10.9
Bristols	950	1,052	1,480	599	377	172	3,427	290.1
Total Pkg & Other Paper	310,324	191,620	27,890	18,660	37,887	22,140	343,500	11.5
Unbleached Kraft Paper	168,420	69,828	12,666	6,027	16,013	7,264	169,058	1.1
Other Pkg. & Indust. Paper	141,904	121,792	15,225	12,633	21,875	14,876	174,442	24.0
Tissue	58,121	43,299	5,616	4,981	4,497	3,916	65,963	16.7
Paperboard, Total	360,831	127,461	24,268	9,632	31,875	12,219	342,504	-5.7
Test or Containerboard	80,981	29,352	6,695	2,978	9,267	3,886	78,544	1.2
Semi-Chemical Corrugating	128,636	33,898	9,560	3,080	12,845	4,070	149,982	20.9
Other Paperboard	151,214	64,211	8,013	3,574	9,763	4,263	113,978	-29.5
Convtd Paper&Paperbd Products	401,559	932,571	36,274	82,384	39,688	91,111	417,195	1.3
Paper Products, Total	368,179	866,121	33,277	77,045	36,363	84,040	379,971	0.7
Paperboard Products, Total	33,380	66,450	2,997	5,339	3,325	7,071	37,224	8.0
Wet machine Board	3,463	2,638	279	285	390	320	4,284	22.5
Construction Paper & Board	305,985	96,320	26,673	8,942	29,895	10,065	303,308	-6.4
Notes								
Other: No Weight Avail. ($000)		201,453		13,873		15,755	178,384	-13.4
Total Imports Incl. Other($000)		9,245,053		896,647		963,139	10,779,292	20.1

E X P O R T S

							(1)	
Pulpwood, Roundwood (cords)	16,178	913	0	0	1,259	88	14,715	20.8
Pulpwood Chips	2,546,467	188,459	321,247	27,517	255,899	22,455	3,191,270	32.6
Total All Exports	14,797,437	6,007,818	1,337,827	579,466	1,459,503	662,107	16,931,160	16.5
Wood Pulp,Total	4,889,331	2,259,377	391,812	216,807	497,420	270,663	5,396,202	11.6
Cotton Pulp and Other Pulp	182,001	91,365	15,693	8,760	12,475	7,325	202,178	14.6
Waste and Old Paper	4,422,139	553,348	490,655	58,397	474,312	58,182	5,497,106	31.4
Paper, Board & Products,Total	5,303,966	3,103,728	439,667	295,501	475,296	325,937	5,835,675	9.3
Paper,Paperboard,Wet Machine Bd. & Construction Paper & Board	4,578,770	2,780,329	377,823	213,327	403,667	230,802	5,015,723	8.1
Paper, Ppbd & Prod ex Cnst&WMB	5,196,613	3,044,506	430,671	290,655	464,586	320,186	5,700,175	8.9
Paper & Paperboard, Only	4,471,418	2,221,107	368,827	208,481	392,957	225,051	4,880,222	7.6
Paper, Total	921,397	776,181	82,070	75,728	90,841	86,510	1,055,703	15.7
Newsprint	339,773	210,093	36,820	25,187	35,704	24,842	364,484	2.7
Printing & Writing	249,092	242,639	20,213	22,467	25,036	29,023	286,386	21.8
Uncoated Groundwood	55,841	39,750	4,291	3,587	4,952	4,801	64,990	29.3
Clay Coated Paper	100,839	72,145	6,492	4,936	9,163	7,682	103,299	8.1
Uncoated Free Sheet	67,858	99,330	6,514	10,181	8,174	12,623	83,229	32.2
Other Printing & Writing	24,554	31,414	2,917	3,762	2,748	3,917	34,868	32.4
Total Pkg. & Other Paper	294,201	292,659	23,271	25,801	26,303	28,622	347,383	20.4
Unbleached Kraft	89,194	40,758	8,063	3,859	8,465	4,788	100,575	16.5
Other Pkg. & Indust. Paper	205,007	251,901	15,208	21,942	17,838	23,834	246,808	22.1
Tissue	38,332	30,790	1,767	2,274	3,798	4,022	57,450	67.3
Paperboard, Total	3,550,021	1,444,926	286,757	132,753	302,116	138,541	3,824,520	5.6
Solid Wood Pulp	3,218,952	1,321,618	266,388	121,977	277,353	126,687	3,529,536	6.6
Total-Linerboard	2,296,633	812,161	179,881	71,202	185,770	72,340	2,274,047	-4.2
Bleached Kraft Linerboard	102,266	46,429	12,022	6,076	5,387	3,353	132,131	74.9
Unbleached Kraft Linerbd	2,194,367	765,731	167,859	65,126	180,383	68,988	2,141,917	-6.7
Other Unbleached Kraft	210,566	78,596	25,511	8,695	23,755	7,842	483,379	117.7
Other Bleached Kraft	647,803	407,923	59,573	41,468	63,430	44,481	724,130	13.3
Semi-Chemical Corrugating	63,951	22,938	1,423	613	4,398	2,024	47,979	-36.4
Recycled Paperboard	331,069	123,308	20,369	10,775	24,763	11,854	294,984	-5.5
Convtd Paper&Paperbd Products	725,196	823,399	61,844	82,174	71,629	95,135	819,952	17.4
Paper Products, Total	301,202	540,681	26,851	51,582	34,216	63,563	359,947	21.8
Paperboard Products, Total	423,994	282,718	34,993	30,592	37,413	31,572	460,005	14.2
Wet Machine Board	17,328	7,816	822	340	864	348	12,181	-35.1
Construction Paper & Board E	90,024	51,405	8,174	4,506	9,846	5,403	123,320	44.1
Notes								
Other: No Weight Avail. ($000)		8,037		763		909	9,121	15.4
Total Exports Incl. Other($000)		6,015,855		580,228		663,016	7,367,696	24.9

SOURCE: Bureau of Census, U.S. Department of Commerce. E - Incl. estim. of tonnage based on square foot data.
(1) Annual Rate Year-To-Date is in tons unless otherwise specified in item description.

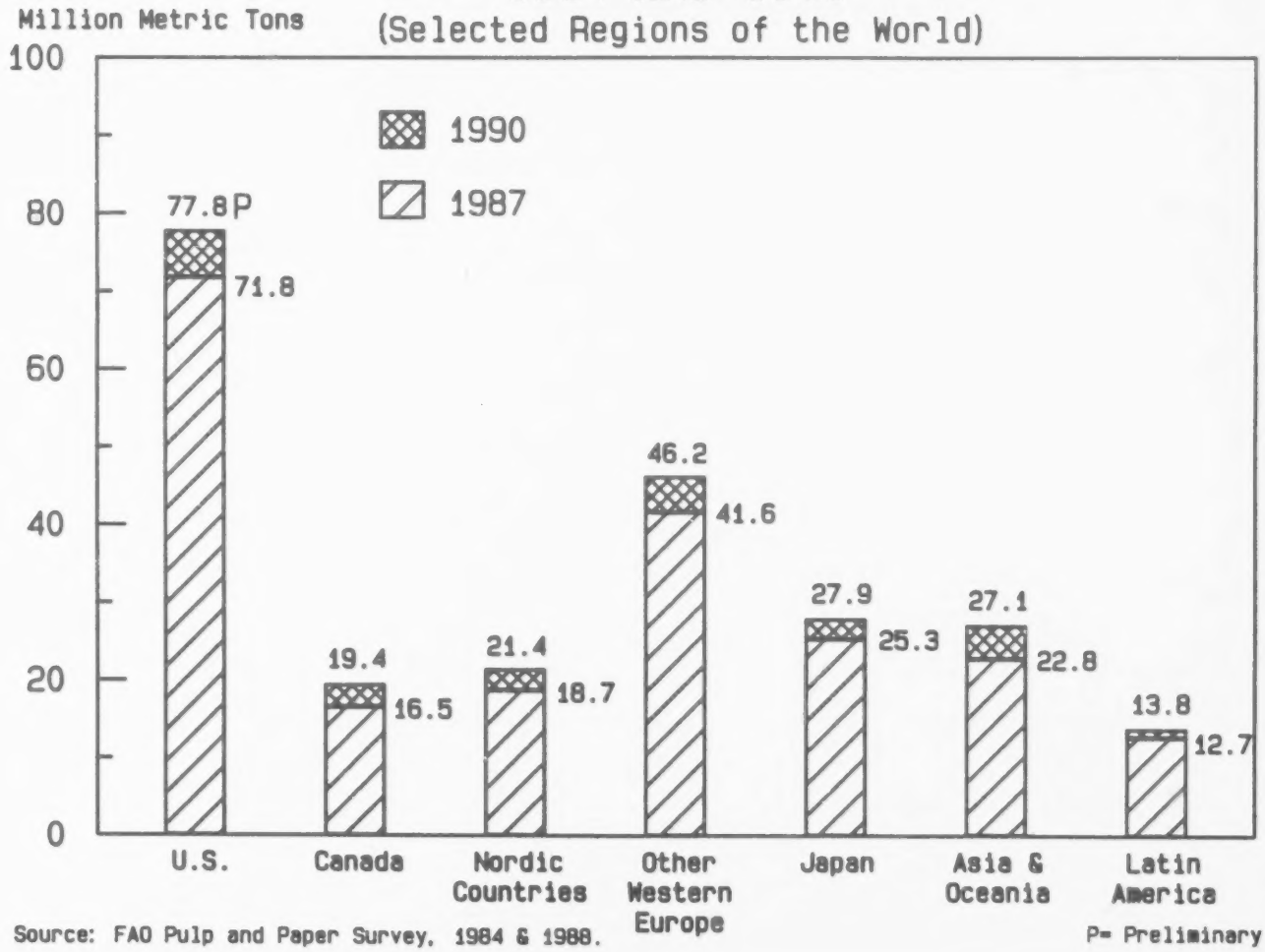
PRODUCER PRICE INDEXES
1982 = 100

	1986	1987	JUNE 1988	JULY 1988	AUGUST 1988	SEPTEMBER 1988	Annual Rate Y-T-D 1988	% Change from same Period Last Year
Pulp, Paper and Products except Building Grades	107.5	114.3	124.8	125.6	126.3	127.6	123.6	9.0
Pulp Paper & Products, ex. Building Grades & ex Waste Paper *	106.9	113.2	123.8	124.6	125.3	126.6	122.5	9.1
Total Wood Pulp	94.7	111.5	140.1	138.3	141.0	142.3	134.3	22.5
Total Paper	107.0	111.5	122.3	123.6	124.7	125.4	121.7	10.1
Total Paper, exc. Newsprint	107.9	110.6	121.9	123.9	125.4	126.1	121.5	11.0
Newsprint	103.3	112.3	127.5	127.4	127.3	127.3	127.6	15.2
Total Paperboard	106.5	118.1	134.0	134.3	134.5	136.3	132.1	13.3
Total Paper and Paperboard *	106.8	113.6	126.0	127.0	127.8	128.8	125.0	11.1
Converted Products	109.4	114.7	122.7	123.6	124.2	125.8	121.8	6.9
Waste Paper	142.6	181.4	183.9	185.3	185.4	185.5	188.3	4.9
All Commodities	109.2	102.8	107.4	107.8	108.0	108.1	106.4	4.0
Industrial Commodities	109.0	102.6	106.5	106.7	107.1	106.9	105.8	3.7

SOURCE: Producer Price Indexes: Bureau of Labor Statistics, U.S. Department of Labor * Computed by API

PAPER AND PAPERBOARD CAPACITY 1987 AND 1990

(Selected Regions of the World)



Source: FAO Pulp and Paper Survey, 1984 & 1988.

P= Preliminary

WORLD PAPER AND PAPERBOARD CAPACITY OUTLOOK

World capacity to produce paper and paperboard is expected to reach 256.0 million metric tons in 1990, representing an average annual growth rate of 3.6% between 1987 and 1990, according to the 1988 edition of Food and Agricultural Organization's (FAO) survey of World Pulp and Paper capacities. During the previous four-year period (1983-87), the world's paper and paperboard capacity expanded at an average annual rate of 2.9%. The chart on page 10 shows the projected 1990 distribution of world paper and paperboard capacity by major region.

The FAO Survey indicates that the largest percentage gains in paper and paperboard capacity -- 5.9% a year between 1987 and 1990 -- are projected to take place in Asia & Oceania (excluding Japan). The anticipated large gains in paper and paperboard capacity in Asia & Oceania reflect the rapid economic expansion taking place in this part of the world. Other regions expected to show rapid growth are Canada, 5.5% a year, and the Nordic countries, 4.6% a year. Japanese capacity growth is projected to average 3.3% a year between 1987 and 1990, compared with 2.2% a year between 1983 and 1987.

The Survey also identifies printing-writing paper and newsprint as the fastest growing segments of world paper and paperboard capacity between 1987 and 1990. Total world capacity to produce printing-writing paper will expand 5.1% a year from 1987 through 1990, as compared with 3.6% growth for total paper and paperboard capacity. Printing-writing paper capacity is projected to grow especially rapidly in Canada (17% a year between 1987 and 1990) and the Nordic countries (6.4% a year). A large percentage of the capacity additions in both these regions will be export-oriented.

The FAO projects 1987-90 world newsprint capacity growth at 4.4% a year, representing a significant acceleration from the 1.4% average annual rate that prevailed from 1983 through 1987. The major producing regions -- the U.S., Canada, and the Nordic countries -- all showed little or no growth in newsprint capacity during 1983-87. Canada and the Nordic countries are expected to expand their newsprint capacities at average annual rates of 3.2% and 5.3%, respectively, during the 1987-90 period. These growth rates may be on the low side since new projects, particularly in Canada, have been announced since the FAO data were compiled.

World capacity to produce kraft wrapping and packaging papers is projected to rise 0.5% a year during 1987-90, as contrasted with a 4.2% annual rate of decline during 1983-87. The gains are expected to take place in Asia, Latin America, and Africa. The major producing regions (the U.S., Canada, and the Nordic countries) will continue to reduce their kraft wrapping and packaging paper capacity due to competition from plastics.

Growth of world linerboard capacity (kraft and recycled linerboard) is projected by the FAO at 3.1% a year for the 1987-1990 period, which represents only a slight deceleration relative to the

3.2% rate of expansion seen during 1983-87. The fastest growth rates will be in Asia/Oceania -- primarily Korea -- and in Latin America.

World capacity to produce folding boxboard is projected to rise 2.9% a year from 1987 through 1990, versus 3.0% a year during the four year period from 1983 through 1987.

The FAO expects world capacity of paper grade wood pulp to expand at the average annual rate of 2.9% a year between 1987 and 1990, or 0.7 percentage point a year slower than paper and paperboard capacity. This implies that the long-term downward trend in the ratio of pulp to paper and paperboard capacity will continue. The downward trend reflects the increasing use of recycled fiber and of non-fibrous additives, such as coating pigments and fillers.

The most rapidly growing segment of world pulp capacity will continue to be thermomechanical pulp -- largely in the chemi-thermomechanical oulp sector -- which will rise at a 12% average annual rate during 1987-90 and increase its share of total paper grade wood pulp capacity from 8.8% to 11.4%. World chemical paper grade pulp capacity is expected to grow 2.3% a year during 1987-1990, as compared with 2.0% a year during 1983-87.

The API International Department now has a limited number of copies of the 1988 edition of the U.N. Food and Agriculture Organization's annual report on World Pulp and Paper Capacities and companion reports on Estimated Production and Mill Expansions. API members can obtain the three reports from the International Department (212-340-0641) for $20, to cover shipping costs from FAO, Rome.

SUPP.

A 2500-2

INDUSTRY FACT SHEET

AMERICAN PAPER INSTITUTE, INC.
260 Madison Avenue
New York, New York 10016

October 24, 1988

PRODUCTION (000 TONS)

	(P) SEPTEMBER 1988	AUGUST 1988	SEPTEMBER 1987	FIRST NINE MONTHS 1988	1987	% CHANGE YR TO DATE 1988/1987
PAPER GRADES						
Newsprint	492	509	494	4,470	4,352	2.7
Printing & Writing	1,781	1,901	1,770	16,372	15,452	6.0
Uncoated Groundwood (s)	136	147	125	1,195	1,140	4.8
Coated Paper (s)	595	645	588	5,543	5,083	9.1
Uncoated Free Sheet Paper (s)	929	980	930	8,501	8,146	4.4
Thin Paper (s)	20	19	21	170	187	-9.1
Cotton Fiber Paper (s)	12	13	14	120	123	-2.7
Bleached Bristols (s)	90	99	92	843	773	9.0
Tissue Paper	455	471	447	4,103	3,954	3.8
Total Pkg & Other Paper	439	431	420	3,901	3,785	3.0
Unbl. Kraft Paper (s)	260	251	259	2,278	2,315	-1.6
Other Paper	179	180	161	1,623	1,471	10.4
TOTAL PAPER	3,167	3,312	3,131	28,845	27,543	4.7
PAPERBOARD GRADES						
Unbleached Kraft Paperboard	1,590	1,666	1,609	14,548	14,185	2.6
Unbleached Kraft Linerboard	1,481	1,552	1,519	13,581	13,222	2.7
Other Unbl. Kraft Paperboard	109	114	89	968	963	0.5
Semichemical Paperboard	472	494	469	4,285	4,214	1.7
Bleached Paperboard	355	395	341	3,361	3,317	1.3
Recycled Paperboard	711	730	698	6,619	6,325	4.6
TOTAL PAPERBOARD	3,127	3,284	3,116	28,813	28,041	2.8
TOTAL PAPER AND PAPERBOARD	6,294	6,597	6,247	57,658	55,584	3.7

WOOD PULP (ALL GRADES)	AUGUST 1988	JULY 1988	AUGUST 1987	FIRST EIGHT MONTHS 1988	1987	% Change 88/87
Dissolving & Special Alpha	119	117	102	895	865	3.4
Bleached Sulfite)	132	131	126	1,030	949	8.4
Unbleached Sulfite)						
Bleached & Semi-Bl. Sulfate	2,299	2,280	2,174	17,535	16,952	3.4
Unbleached Sulfate	1,844	1,830	1,838	14,527	14,257	1.9
Semichemical	371	363	333	2,894	2,829	2.3
Groundwood & Thermomechanical	504	497	486	3,983	3,742	6.5
TOTAL PULP DIVISION DATA	5,269	5,219	5,058	40,864	39,593	3.2

(s) - Shipments
P - Preliminary

OCTOBER 31, 1988

	Full Year		INDUSTRY DATA 1987 - 1988			Ann. Rate Year - To - Date	% From Same Pd. Last Year
				R	P		
PAPER AND PAPERBOARD -- Tons (000)	1986	1987	July	August	September	1988	
Total Production (API).....: excluding :...	70,889	74,433	6,272	6,597	6,294	76,877	3.7
Total Seasonally Adjusted....:construction:...			6,374	6,368	6,361	76,450	3.4
Imports (including Products).: and wet :..E	11,597	12,528	1,048	1,083	1,068	12,836	3.4
Exports (including Products).: machine :..E	4,593	5,197	431	465	440	5,653	8.1
Apparent Consumption.....: grades :...	77,893 a	81,764 b	6,991	6,985	6,989	83,632 c	3.1
Paper Production % Tonnage Capacity.....	93.2 g	94.0	90.5	96.3	95.1	96.0	-
Paperboard Production % Tonnage Capacity.....	94.3 g	96.8	95.3	97.4	95.8	97.6	-
			June	July	August		
IMPORTS.....:Including Construction and :...	11,936	12,837	1,078	1,275	1,113	13,146	3.9
EXPORTS.....: WMB Grades (excl. HPB) :...	4,687	5,304	491	440	475	5,836	9.3
			June	July	August		
MARKET WOOD PULP PRODUCTION - Tons (000).....	7,572	8,114	686	728	755	8,452	4.8
TOTAL WOOD PULP PRODUCTION - Tons (000).....	57,005	59,552	4,949	5,219	5,269	61,296	3.2
WOOD PULP IMPORTS - TONS (000).....	4,582	4,850	415	416	460	5,076	5.2
WOOD PULP EXPORTS - TONS (000).....	4,458	4,889	497	392	497	5,396	11.6
RAW MATERIALS CONSUMPTION - Tons (000)							
..PAPER AND BOARD MILLS : excluding :			June	July	August		
Wood Pulp.....:consumption for:.....	57,061	59,475	4,931	5,160	5,240	61,104	3.1
Waste Paper.....:construction & :.....	17,285	18,296	1,563	1,526	1,615	18,899	4.7
TOTAL.....: WMB grades :.....	74,345	77,770	6,494	6,685	6,855	80,003	3.5
PULPWOOD CONSUMPTION Cords(000)Amer.Pulpwd. Assn	91,434	93,946	7,689	7,901	7,951	95,315	1.6
EMPLOYMENT (000)			July	August	September		
Paper and Allied Products.....Total.....	673.7	679.0	692.6	694.4	692.4	688.4	1.6
Pulp, Paper and Board Mills.....Total.....E	248.1	244.9	249.3	248.6	247.5	246.4	0.5
AVERAGE HOURLY EARNINGS OF PRODUCTION WORKERS ($)			July	August	September		
Paper and Allied Products.....	11.18	11.42	11.71	11.62	11.72	11.61	1.9
Pulp, Paper Mills.....E	13.63	14.00	14.39	14.28	14.40	14.22	1.9
Paperboard Mills.....E	13.98	14.30	14.51	14.49	14.55	14.44	1.4
CAPITAL EXPENDITURES, PAPER & ALLIED PRODUCTS			1988 Q1	1988 Q2	1988 Q3		
(Rept. by US Dept. of Com., Ann. Rates, Bill.$)*	8.77	9.01	9.96	11.09	11.34	11.09 Y	23.1
INDEX OF OUTPUT PER MAN-HOUR (1977=100).....			July	August	September		
:IN PULP, PAPER :...Production Workers.....	131.2	140.1	142.9	145.9	144.1	144.1	3.4
:AND BOARD MILLS:...All Employees.....	128.6	136.7	139.9	141.9	140.4	140.7	3.5
PAPER AND ALLIED PRODUCTS (Million $)			June	July	August		
Industry Shipments (Dept. of Commerce)*.....	103,916	118,855	10,356	10,485	10,550	127,109	9.8
Pulp, Paper and Paperboard*.....	44,033	51,518	4,547	4,703	4,716	57,087	14.6
Inventories (End of Period) - Total Industry*..	10,429	11,284	11,436	11,530	11,601	11,601	5.3
Pulp, Paper and Paperboard*.....	4,115	4,266	3,978	4,038	4,128	4,128	-1.1
			1987 Q4	1988 Q1	1988 Q2		
Sales (Corporations Only).....	74,844	95,576 RS	25,088	25,504	27,227	105,462	15.2
Earnings (Corporations Only).....	3,280	5,520 RS	1,495	1,744	2,195	7,878	61.5
Depreciation (Corporations Only).....	3,389	4,279 RS	1,051	1,169	1,124	4,586	8.2
Net Worth (Corporations Only).....	31,221	39,217 RS	39,217	40,213	41,621	41,621	13.1
PRICE INDEXES (Bureau of Labor Stats)1982=100			July	August	September		
Pulp, Paper & Products, ex. Building Grades....	107.5	114.3	125.6	126.3	127.6	123.6	9.0
Wood Pulp.....	94.7	111.6	138.3	141.0	142.3	134.4	22.5
Waste Paper.....	142.6	181.4	185.3	185.4	185.5	188.2	4.8
Paper.....	107.0	111.5	123.6	124.7	125.4	121.7	10.1
Paperboard.....	106.5	118.1	134.3	134.5	136.3	132.1	13.3
PAPER DEMAND (INDEXED: 1977=100)			July	August	September		
Total Paper Production *.....	128.0	133.8	139.1	139.3	139.6	138.6	4.3
Paper New Supply *.....	133.7	140.6	145.0	145.5	145.7	144.9	3.9
Demand Indicators - (Weighted Average) *.....	146.4	154.5	164.1	164.4	164.8	162.1	5.7
Production of Nondurable Goods *...(21.2%).	130.1	136.8	144.4	144.3	144.6	142.7	5.1
Disposable Income .....*.(23.9%)	127.8	130.0	135.2	135.2	135.2	134.2	3.8
Total Printing and Publishing *...(54.9%).	160.9	172.0	184.2	184.8	185.5	181.8	6.5
Trend Factor	----------	----------	------ Not Available ------			----------	----------
PAPERBOARD DEMAND (INDEXED: 1977=100)							
Total Paperboard Production *.....	121.9	129.1	131.1	130.6	130.1	131.4	2.4
Production for Domestic Use	118.7	126.5	128.7	127.1	128.0	128.5	2.4
Demand Indicators - (Weighted Average) *.....	121.9	125.9	133.2	133.5	133.3	131.4	5.1
Production of Consumer Goods *...(62.06%)	124.1	127.7	134.1	134.6	134.2	132.7	4.3
Production of Equipment *...(5.75%)	143.7	148.8	159.5	160.0	160.4	157.6	6.8
Production of Materials *...(32.19%)	113.8	118.3	126.7	126.6	126.6	124.4	6.4
Trend Factor	----------	----------	------ Not Available ------			----------	----------
NEWSPRINT MARKETS			June	July	August		
Consumption by Publishers - Tons (000).....	13,158	13,583	1,099	1,067	1,102	13,272	0.9
Newspaper Pub. and Printing Empl. Total(000)...	461	471	479	478	476	477	1.9
PRINTING AND FINE PAPER MARKETS							
MAGAZINE ADVERTISING PAGES (PIB, Inc.).....	154,317	161,131	12,891	9,451	10,812	152,098	1.2
WHOLESALERS SALES AND INVENTORIES (Million $)							
Total Paper & Pap. Prdcts.,ex Wallpaper..Sales	38,245	44,741	4,496	4,173	4,782	51,218	21.0
Inventories (End of Period).	3,577	3,850	4,138	4,308	4,313	4,313	23.4
FIBRE BOX DATA (Fibre Box Association)			July	August	September		
Fibre Box Shipments (Million square feet).....	283,921	297,827	24,476	27,010	26,059	308,339	3.4
Container'bd Inventory at Mill & Plant(000Tons).	2,238	2,486	2,724	2,732	2,645	2,645	12.5
RETAIL TRADE (Billion $)			July	August	September		
Total Retail Sales *.....	1,437	1,509	134	134	134	1,589	5.9
Nondurable Goods Stores Sales *.....	899	951	84	84	84	988	4.3
GENERAL ECONOMIC DATA			July	August	September		
TOTAL INDUSTRIAL PRODUCTION (INDEX 1977 = 100)*..	125.1	129.8	138.1	138.3	138.3	136.2	5.9
PRODUCER PRICES(ALL COMMODITIES)(INDEX 1982=100).	100.2	102.8	107.8	108.0	108.1	106.4	4.0
CONSUMER PRICES (ALL ITEMS) (INDEX 1982-4=100)...	109.6	113.6	118.5	119.0	119.8	117.6	4.0
			June	July	August		
TOTAL CONSUMER CREDIT OUTSTANDING - (Billion $)..	586	624	641.2	646.7	654.8	654.8	9.2
GROSS NATIONAL PRODUCT - ANNUAL RATE (Billions$)..			1988 Q1	1988 Q2	1988 Q3		
G.N.P. or Expenditure - Current $.....	4,240	4,527	4,725	4,824	4,900	4,816	7.5
G.N.P. or Expenditure - 1982 $.....	3,722	3,847	3,956	3,985	4,007	3,983	4.2

lb/capita

Pap&Papbd Othr Totl Popul(mil)

.a - 645 + 18 = 663 241.6

.b - 670 + 17 = 687 243.9

.c - 681 + 17 = 698 245.5

.E - Last month estimated by API

f - Wood Pulp Production excludes def., explo. & scrngs.

g - Adjusted for holiday shutdowns

Q - Quarter

R - Revised

Y - Full year estim. by U.S. Dept. of Com.

RS - Revised Series

* - Seasonally Adjusted.